



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3236

Introduced 2/24/2011, by Rep. Karen May

SYNOPSIS AS INTRODUCED:

805 ILCS 310/30 new

Amends the Co-operative Act. Provides that health benefit purchasing cooperatives may be organized by one or more persons in geographic areas designated by the Director of the Department of Insurance. Provides guidance for the design of a health benefit purchasing cooperative. Provides guidance for establishing member criteria and requires a cooperative to file the criteria and other reports with the Director of the Department of Insurance. Provides that each health benefit purchasing cooperative shall be organized on a membership basis with no capital stock. Provides that the contract between the health benefit purchasing cooperative and an insurer shall be for a term of 3 years. Effective immediately.

LRB097 09331 AEK 49466 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Co-operative Act is amended by adding
5 Section 30 as follows:

6 (805 ILCS 310/30 new)

7 Sec. 30. Health benefit purchasing cooperative.

8 (a) Notwithstanding any other provisions of this Act,
9 health benefit purchasing cooperatives may be organized by one
10 or more persons under this Section in each of the geographic
11 areas identified in subsection (1) of this Section.

12 (b) The purpose of a health benefit purchasing cooperative
13 is to provide health care benefits for the individuals
14 specified in subsection (i) of this Section, under a single
15 group health care policy or plan through a contract between the
16 health benefit purchasing cooperative and an insurer
17 authorized to do business in this State in one or more lines of
18 insurance that includes health insurance.

19 (c) A health benefit purchasing cooperative shall be
20 designed so that all of the following are accomplished:

21 (1) The members become better informed about health
22 care trends and cost increases.

23 (2) All members receive their health care benefits

1 under the group health care policy or plan negotiated under
2 subsection (i) of this Section.

3 (3) The members are actively engaged in designing
4 health care benefit options that are offered by the insurer
5 and that meet the needs of their community.

6 (4) The health insurance risk of all of the members is
7 pooled.

8 (5) The members actively participate in health
9 improvement decisions for their community.

10 (d) The articles of a health benefit purchasing cooperative
11 shall set forth the name and address of at least one
12 incorporator who will act as the temporary board.

13 (e) Each health benefit purchasing cooperative shall be
14 organized on a membership basis with no capital stock.

15 (f) Subject to subsection (g) of this Section, any person
16 that does business in, is located in, has a principal office
17 in, or resides in the geographic area in which a health benefit
18 purchasing cooperative is organized, that meets the membership
19 criteria established by the health benefit purchasing
20 cooperative in its bylaws, and that pays the membership fee may
21 be a member of the health benefit purchasing cooperative.

22 (g) A health benefit cooperative may limit membership of
23 self-employed individuals through its membership criteria, but
24 such criteria must be applied in the same manner to all
25 self-employed individuals.

26 (h) Each health benefit purchasing cooperative shall file

1 its membership criteria, as well as any amendments to the
2 criteria, with the Director.

3 (i) The health care benefits offered by a health benefit
4 purchasing cooperative shall be negotiated between the health
5 benefit purchasing cooperative and the insurer and shall be
6 offered in a single group health care policy or plan. The
7 insurer must offer coverage under the group health care policy
8 or plan to all of the following:

9 (1) An individual who is a member, officer, or eligible
10 employee of a member of the health benefit purchasing
11 cooperative.

12 (2) A self-employed individual who is a member of the
13 health benefit purchasing cooperative.

14 (3) A dependent of an individual under subdivisions
15 (i) (1) and (2) who receives coverage.

16 (j) The contract between the health benefit purchasing
17 cooperative and an insurer shall be for a term of 3 years. Upon
18 enrollment in the insurer's group health care policy or plan,
19 each member shall pay to the health benefit purchasing
20 cooperative an amount determined by the health benefit
21 purchasing cooperative that is not less than the member's
22 applicable premium for the 36th month of coverage under the
23 contract. If a member withdraws from the health benefit
24 purchasing cooperative before the end of the contract term, the
25 health benefit purchasing cooperative may retain, as a penalty,
26 an amount specified by the health benefit purchasing

1 cooperative that is not less than the premium that the member
2 paid for the 36th month of coverage.

3 (k) Each health benefit purchasing cooperative shall
4 submit to the Director all of the following:

5 (1) Annually, no later than September 30, a report on
6 the progress of the health benefit purchasing arrangement
7 described in this Section and, to the extent possible, any
8 significant findings in the criteria under subdivision
9 (k)(2) of this Section.

10 (2) Within one year after the end of the term of the
11 contract under subsection (j) of this Section, a final
12 report that details significant findings from the project
13 and that includes, at a minimum, to the extent available,
14 information on all of the following:

15 (A) The extent to which the health benefit
16 purchasing arrangement had an impact on the number of
17 uninsured in the geographic area in which it operated.

18 (B) The effect on health care coverage premiums for
19 groups in the geographic area in which the health
20 benefit purchasing arrangement operated, including
21 groups other than the health benefit purchasing
22 cooperative.

23 (C) The degree to which health care consumers were
24 involved in the development and implementation of the
25 health benefit purchasing arrangement.

26 (1) The Director shall designate, by order, the geographic

1 areas of the State in which health benefit purchasing
2 cooperatives may be organized. A geographic area may overlap
3 with one or more other geographic areas.

4 (m) As used in this Section, "Director" means the Director
5 of the Department of Insurance.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.